



Blank Rome represents leading venture capital funds and angel investors as well as their portfolio companies in all types of sophisticated financing and acquisition transactions. As a result of our strong relationships with entrepreneurs, financing sources and investment banks, we also have the ability to make introductions and facilitate business relationships for our venture, angel and emerging company clients.

SERVICES FOR FUNDS AND INVESTORS

Blank Rome provides innovative and effective solutions for clients seeking to access the public and private investment fund market. Our attorneys regularly provide regulatory, legal and structuring advice to investment funds, registered and unregistered investment advisers and independent board members, on a variety of issues, including:

- fund formation, management and ongoing operation
- debt and equity financing
- mergers, acquisitions, and reorganizations
- organization of investment management entities
- preparation of private offering materials
- development of innovative investment products
- employee Retirement Income Security Act (ERISA) and tax issues
- fund of funds, and master-feeder fund structures
- preparation of registration statements, proxy statements, and review of marketing materials
- regulatory compliance under federal and state securities laws
- representation of independent directors and trustees
- SEC applications for exemptive orders and requests for no-action letters
- stock exchange listing applications and compliance

SERVICES FOR EMERGING COMPANIES

Strategic Legal Services

Whether starting a new business or expanding an existing one, experienced legal counsel is a valuable resource for all of the phases of a young company's life cycle. Challenges unique to emerging companies include:

- company formation
- growing profitability
- retaining and valuing employees to prevent rapid turnover
- creating liquidity
- competitive threats, including intellectual property theft and competitors with greater assets and staying power

Blank Rome's emerging companies practice provides a wide array of services in connection with emerging business/venture capital, closely held family businesses, private equity, middle-market transactions for large-cap companies, and troubled companies. Services include:

Getting Started

- company formation
- corporate governance
- capital structure
- employment laws
- employee benefit plans
- personnel policies
- product warranty issues



Venture/Angel Capital and Emerging Companies (continued)

- real estate
- tax planning and compliance
- government relations

Financing Options

- venture capital transactions
- private placements of debt and equity
- public offerings
- securitizations
- innovative financing arrangements
- loan agreements and other banking arrangements

Protecting Assets

- IP license agreements
- patents, trademark, copyright, trade secret, and other forms of protection
- non-compete and non-disclosure agreements
- technology transfer arrangements
- distribution and reseller agreements
- joint development agreements

Expansion or Exit Strategies

- joint ventures
- LBOs, buy-ins, and recapitalizations
- mezzanine and bridge fundings
- mergers and acquisitions
- corporate spin-offs

Value – Added Resources

Blank Rome has a distinctive and comprehensive program for emerging companies that goes well beyond providing traditional legal services. Through our Emerging Growth Program, we offer clients personalized, in-depth assistance with business and investment needs. Run by a Director of Emerging Growth Services (who also has an MBA), the team includes dedicated individuals whose experience spans law, business and many of the fields in which our early stage clients operate.

Strategic Advice – Business

Blank Rome conducts brainstorming sessions designed to help emerging companies focus on best business strategies, including:

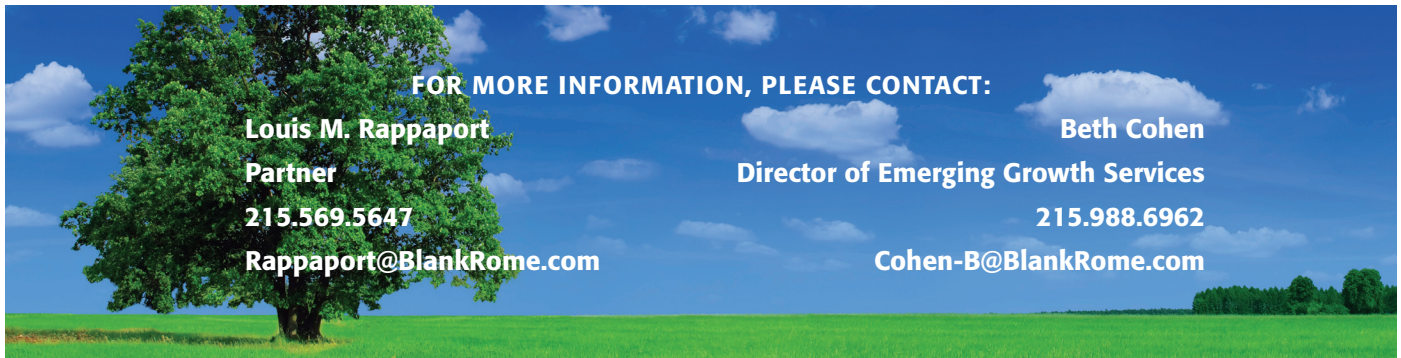
- marketing
- business development
- sales
- customers
- strategic partners
- opportunities to sell to the government (where appropriate)

Strategic Advice – Investment

We work with our clients to determine the best investment strategy to meet their needs, which may include:

- friends and family
- angel and venture capital investment
- strategic investment
- internal growth
- economic development funds

Our mission is to help our clients conduct a concise search for



FOR MORE INFORMATION, PLEASE CONTACT:

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the right kind of capital that will support entrepreneurial resources and expedite business growth. We debunk the myths of raising money and give clients a realistic assessment of the fund-raising process.

Preparation for Institutional Investment

- Guidance on executive summaries to help effectively attract investor interest.
- Coaching on investor presentations through practice sessions, hosted in our office, that are designed to provide content feedback and enhance presentation skills.

Introductions to Investors and Strategic Partners

Our team resources are devoted to providing clients with opportunities to connect with investors. We maintain a comprehensive database consisting of hundreds of investors, and that number is constantly growing. We stay in continual contact with the investment community by attending investment conferences from Boston to Washington. Our activities also include:

- Making targeted introductions to potential investors and strategic partners through our vast network of connections.
- Invitations to conferences and seminars to help clients further expand connections to investors.

ABOUT BLANK ROME

Founded by a small group of entrepreneurial corporate and commercial lawyers, Blank Rome LLP has grown to be ranked 86th in the Am Law 100. We currently have more than 500 attorneys and government relations professionals across ten offices in the U.S and Hong Kong.

The Firm's roots are in the representation of emerging and growth businesses and we view ourselves as long-term partners, helping our clients achieve their business goals.

Being an entrepreneurial firm, Blank Rome has long been a part of the venture community. We don't just represent the emerging growth sector—we invest in it as well. Blank Rome has been an integral part of the Private Investors Forum's Angel Venture Fair, Early Stage East, the HIMSS HealthIT Venture Fair, the Greater Philadelphia Venture Group, the 2007 US/Israel Venture Summit, and the Venture Scene Mid-Atlantic Conference. The Firm served as the host sponsor of the 2009 Mid-Atlantic Capital (MAC) Conference and we also sponsored the 2nd Mid-Atlantic Cleantech Investment Forum. This month we will present and host the 7th Annual Israel Venture Conference. We are proud to be hosting the 2010 Angel Capital Association Leadership Conference.

Lou Rappaport has been recognized by *Chambers USA* as a leading venture capital attorney. *Chambers* is widely viewed among the most highly respected publications in the world that rate lawyers, in part because inclusion is based on peer recommendations.



Representative Deals

Edison Venture Fund, Smith Defieux Capital Partners and a group of Edison's limited partners in an approximately \$42 million recapitalization of Health Market Science (HMS). Blank Rome also advised Edison in its initial \$4.25 million investment in HMS as well as a \$5.6 million follow-on investment in the company.

Edison Venture Fund in a number of additional transactions, including:

- A \$4.5 million investment in Boston-based Sonicbids.
- A \$7.5 million investment in New Hampshire-based RewardsNOW.

Synova Healthcare Group Inc. (OTCBB: SNVH) in a private placement of 6.5% senior convertible promissory notes and related warrants in connection with the strategic acquisition of Allendale Pharmaceuticals, Inc. and the Today® contraceptive sponge. The transaction was valued at \$15 million.

Royal Palm Realty Investment Fund I, LLP in a \$10 million limited partnership interest in an investment fund.

Tactical Solution Partners in a \$5 million venture capital investment.

State Petroleum Distributors, LLC in a \$3.5 million private placement of preferred stock.

PublicStuff LLC in an angel investment transaction.

BlackGold Biofuels (aka Philadelphia Fry-O-Diesel, Inc.) in an angel investment transaction.

Health Market Science, a leading data and analytics provider for the healthcare industry, in a \$6 million Series B financing led by Cross Atlantic Capital Partners. Edison Venture Fund also participated in the financing.

Halfpenny Technologies Inc., a provider of healthcare connectivity and integration solutions, in a \$2.6 million Series A Preferred venture financing from Osage Ventures, Milestone Partners and LORE.

Meidlinger Partners in a preferred stock investment in Liberty Hydro, Inc., a water focused environmental technology company.

Merion Investment Partners in a private placement purchase of senior subordinated notes, membership interests and warrants in DCI Acquisition Holdings LLC.

PC Universe in a \$2.5 million venture capital investment.

Liberty Partners, L.P. in several transactions, including:

- A follow-on investment in Henley-Putnam University, an online provider of educational services.
- A follow-on venture capital investment in Secure Data In Motion, Inc., a provider of secure messaging products.

Automated Trading Desk LLC (ATD) in the private placement of Series A preferred stock to Technology Crossover Ventures (TCV). The transaction was valued at \$60 million.



Representative Deals (continued)

Meakem Becker Venture Capital in a several transactions, including:

- A Series A venture capital investment in SpendView, Inc.
- A Series A investment in Leostream Corporation, a software company that builds hosted desktop connection brokering tools. We also represented Meakem in a follow-on investment in the company.
- An investment in Kiva Systems, Inc.
- A \$1 million investment in NearVerse, Inc., a mobile networking company.
- A \$1.25 million investment in Schoology, Inc., a cloud-based learning management system and configurable social network for academic institutions.

NewSpring Mezzanine Capital L.P. in a \$4.6 million mezzanine term loan and \$400,000 Series A investment in York Telecom Corporation.

NewSpring Capital in a recapitalization and growth financing for MinSec Holdings, Inc., a leading provider of community corrections, behavioral health and drug/alcohol treatment services throughout Pennsylvania.

Webcarzz, Inc. in a \$4 million Series A equity financing provided by Meakem Becker Venture Capital.

Blue 9 Fund I in several transactions, including:

- An investment in Sally Hershberger Professional Hair Care, LLC.
- A follow-on investment in retailer Five Below.
- A follow-on investment in Blue Point Ventures, a Dunkin' Donuts franchisee.

Blue 9 Capital in an investment in TSX, LP.

AccuWeather Inc. in its equity investment in GeoMicro, Inc.

MediFlag LLC in connection with an angel equity investment transaction.

The Khaya Cookie Company, LLC in an angel equity investment that will help to perpetuate societal wealth in South Africa.

Field Diagnostic Services, Inc. in connection with strategic investment from Bank of America.

Metropolitan Equity Partners in several transactions, including:

- An investment in Ballista Securities LLC.
- An investment in Chelsea 10011.
- An investment in Buxbaum Jewelry Advisors, LLC.
- An investment in Physicians W8 Solutions.

Integrated Capital Partners, LLC in its investment in Rainwater Management Solutions, Inc.

Innovation Ventures LP and Emerald Stage2Ventures LP in an investment in Maverick Network Solutions. Innovation Ventures and Emerald Stage2 Ventures LP co-led this Series A round investment with other investors, including Robin Hood Ventures, Trestle Ventures, and the Delaware Economic Development Office.



Representative Deals (continued)

Core Solutions, Inc., a healthcare information technology provider to the mental and behavioral health sectors, with respect to its Series A venture financing provided by Emerald Stage2Ventures and Trestle Ventures. Previously, Ben Franklin Technology Partners invested in Core Solutions. We also represented the company in a follow-on venture financing provided by Emerald Stage2 Ventures and Trestle Ventures.

SunGard Data Systems Inc., a global leader in software and processing solutions for financial services, higher education and the public sector, in a minority equity investment in Quadriserve, Inc.

MentorTech Ventures II, LP, an early-stage venture capital fund, as the lead investor in an up to \$3.3 million Series C investment in Molecular Detection, Inc., a Pennsylvania based developer of DNA-based rapid diagnostic test kits, with significant R&D activities in Israel. This investment followed a Series B financing round led by SVM Israel Opportunity Fund II, LP and SVM Israel Parallel Fund LP, both affiliated with MentorTech Ventures. Ben Franklin Technology Partners and Robin Hood Ventures also participated in the transaction.

Sanovia Corporation, a pharmaceutical management company, in an \$8 million round of Series C financing provided by Chrysalis Ventures, HLM Venture Partners and Claritas Capital.

Pure Earth, Inc., a leading provider of sustainable recycling options for waste management, in a \$1 million Series C Preferred Stock offering.

EdisonLearning, Inc., a provider of educational development services, in an investment in Linden Schools.

SDI Health LLC, a leading healthcare data analysis provider and a portfolio company of LLR Partners and Tailwind Capital, in a recapitalization financing.

Phytomedics, Inc., a privately held biopharmaceutical company with a broad portfolio of novel compounds for chronic diseases, in a Series C financing of up to \$10 million led by Inventages Venture Capital.

Kobo Products, Inc., a provider of innovative, technology-based raw materials to the cosmetic industry, in a strategic collaboration agreement with Sumitomo Osaka Cement Co., Ltd., a public company traded on the Tokyo Stock Exchange, which included a \$3 million Series A Preferred Stock investment in Kobo.

Metropolitan Retail Capital, LLC in a \$1 million mezzanine financing with warrants for Frontera Investment Inc.



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Louis Rappaport concentrates his practice on business and corporate matters, with specific emphasis on emerging businesses. Mr. Rappaport represents both private equity firms—buyout and venture capital—and business operators with respect to these transactions. Mr. Rappaport advises clients in a wide range of industries in the following areas:

- mergers and acquisitions
- venture capital and private equity funding transactions
- securities offerings
- corporate finance matters
- strategic alliances and joint ventures
- intellectual property/technology licensing and transfer matters
- executive employment and compensation matters
- business formation and planning

Since 1997, Mr. Rappaport has served as a lecturer for a number of courses at Villanova University School of Law, including “Business Acquisitions” and “Counseling Emerging Businesses.”

Chambers USA ranked Mr. Rappaport as leader in the field of venture capital.

Representative Matters

- Growth equity venture capital raise for a financial services technology client from strategic investors, including a Morgan Stanley affiliate, Knight Capital and SIG Growth Equity.
- Series A venture capital transaction for Meakem Becker Venture Capital into a financial services technology company.
- Growth equity venture capital transaction for Metropolitan Equity Partners into a financial services technology company.
- Angel equity capital transaction for healthcare information technology company.

- Sale of a venture-backed healthcare information technology firm to GE Healthcare.
- Sale of over \$1.2 billion of energy generation assets to two strategic buyers in a bankruptcy auction.
- Sale of electric generation assets by east coast based utility company in a transaction valued at \$173 million.
- Sale of a private manufacturer of paint finishing systems to 3M Company.
- Private equity investment by ZS Fund into vanpooling and passenger vehicle leasing services company.
- Sale of a majority stake in a venture backed project management software client to two private equity firms, valued at more than \$150 million.
- Sale of a private equity backed payment processing company to 3i Infotech Ltd., valued at \$80 million.
- Private placement of over 40 interests in private equity and venture capital funds into the secondary market on behalf of a Philadelphia-based wealth management firm.
- Negotiation of employment and compensation matters for a management team of venture-backed IT company purchased by Oracle.
- Private sale of manufacturing company owned by multiple generations of family members to an AMEX-listed manufacturing company, valued at approximately \$35 million.

Community Service & Affiliations

Mr. Rappaport is a firm representative of Villanova University School of Law. In addition, he is a member of the Investment Advisory Committee for Benjamin Franklin Technology Partners in South-eastern Pennsylvania and a co-chair of entrepreneurial education programming, a company coach and board member of the Private Investors Forum Angel Venture Fair. Further, Mr. Rappaport is a member of the planning board of Early Stage East and co-chair of its Vision to Value entrepreneur education programming.

Mr. Rappaport has been a guest speaker and educator for a variety of venture and emerging business programs, presenting topics including: “Ready...Set...Capitalize! What You Need to Know to Raise Venture Capital” and “Flying with the Angels: How to Negotiate a Term Sheet.”



Beth Cohen

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Beth Cohen is the director of emerging growth services at Blank Rome. She is a business development, marketing and legal executive with broad experience in both domestic and international markets. She has led diverse strategic and marketing initiatives and negotiated key business relationships for large and small companies, including licensing, distribution and strategic alliance agreements.

In her role as director of emerging growth services, she advises the Firm's early and growth stage clients, both domestic and international, on strategic business issues, business plan advice, investor presentations and raising capital, including introductions to investors and strategic partners. Ms. Cohen is involved in numerous international business activities and assists international clients in launching their U.S. presence. She serves on the Advisory Boards of two emerging technology companies.

Ms. Cohen was director of emerging growth services at a multi-practice law firm from 2004 to 2009. Prior to that, she was of counsel at Towers Perrin, and from 2000 to 2003, she was vice president of Strategic Business Development and general counsel of RentPort, Inc., an early stage, venture-backed technology company, based in Denver, Colorado. Ms. Cohen was a member of the management team that led RentPort to profitability in less than three years and resulted in an exit. Prior to RentPort, she was a principal in TenX Capital Partners, a private equity firm, and a consultant to technology ventures. As a managing director of Franklin Electronic Publishers from 1991 to 1995, Ms. Cohen played a leading role in the company's entry into the European market and substantially increased Franklin's exposure in the U.S.

Ms. Cohen was a member of the international legal department of Tadiran Ltd., Israel's largest electronics company, and served as chief outside counsel to Tadiran's largest U.S. subsidiary. She has also advised Israeli and other international companies on entering the U.S. market as part of her involvement with the Wharton Global Consulting Practicum.

Ms. Cohen lectures frequently on topics of interest to growth companies, including strategic marketing, business development, and raising capital. She has also lectured internationally on launching a U.S. business presence and raising funds. She is actively involved in venture conferences and other emerging growth activities in the Mid-Atlantic Region and serves on the planning committees for a number of conferences and organizations.

Ms. Cohen holds an M.B.A. from The Wharton School, University of Pennsylvania, a J.D. from Rutgers University, where she was an editor of the Law Review, and received her B.A., *magna cum laude*, from Brandeis University.

Ms. Cohen is the 2003 recipient of the Wharton Distinguished Alumna Award and has served as a vice president and board member of the Wharton Club of Philadelphia and is a founder of the Wharton Women's Network. She is on the Boards of the International Visitors Council of Philadelphia, The Enterprise Center, and the America-Israel Chamber of Commerce, Central Atlantic Region. Ms. Cohen is a member of the bar in Pennsylvania, New Jersey, New York and Israel.